

11 MAY 2023

Q1 Results

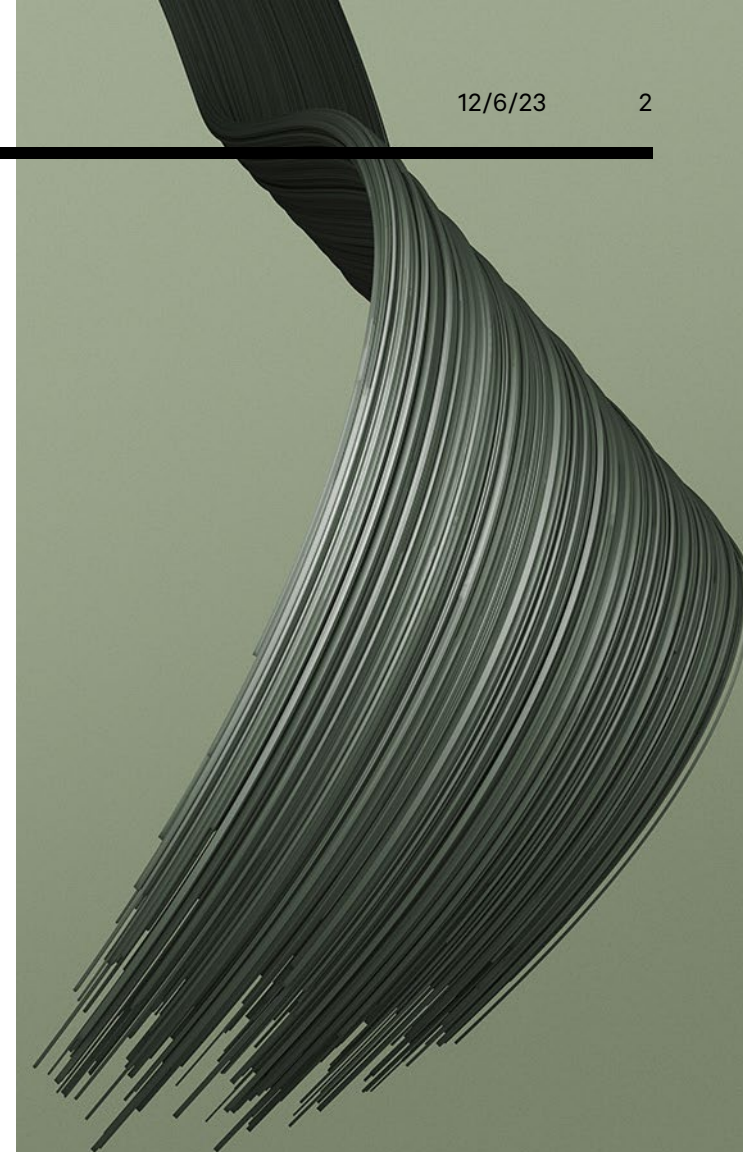
Juha Hammarén, interim CEO

Outi Henriksson, CFO

Aktia

Highlights Q1

- **Net interest income** grew by 27% to EUR 31.8 (25.1) million.
- **Net commission income** remained approximately at the previous year's level at EUR 30.3 (31.3) million.
- **Assets under management (AuM)** increased from the end of the year to EUR 13.8 (13.5) billion.
- **Net income from life insurance** amounted to EUR 7.2 (21.4) million. The implementation of IFRS 17 standard makes comparisons difficult.
- **The costs** increased slightly due to inflation and a higher estimated cost for the stability fee than last year.
- **Credit loss provisions** remained at a moderate level at EUR -0.9 million.
- **CET1 ratio** increased to 11.1 (10.8) % from the year-end.

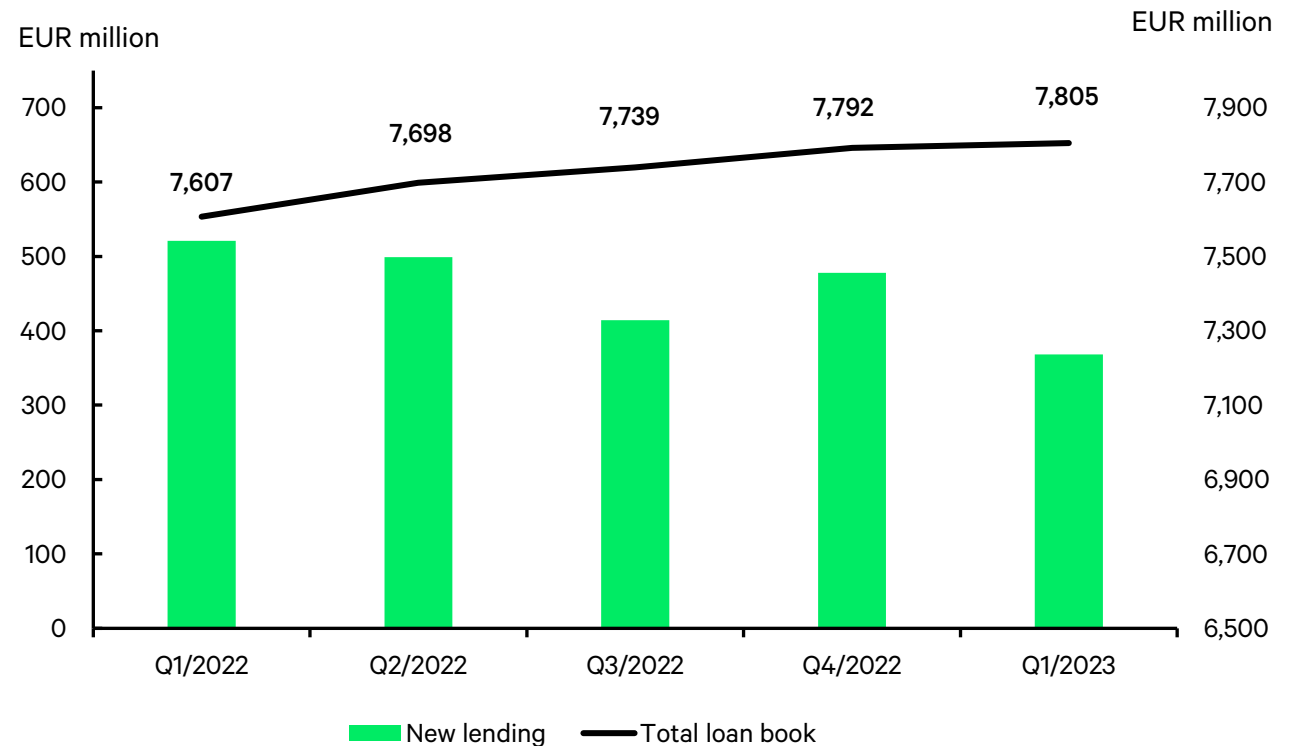


Business areas

Average margin continued to grow

- Net interest income of the loan book developed very favourably.
- Consumer demand for housing loans continued to decrease.
- Consumer financing performed well.
- Sales of the quarter's structured investment product reached record levels.
- Corporate customer business lending continued to increase.

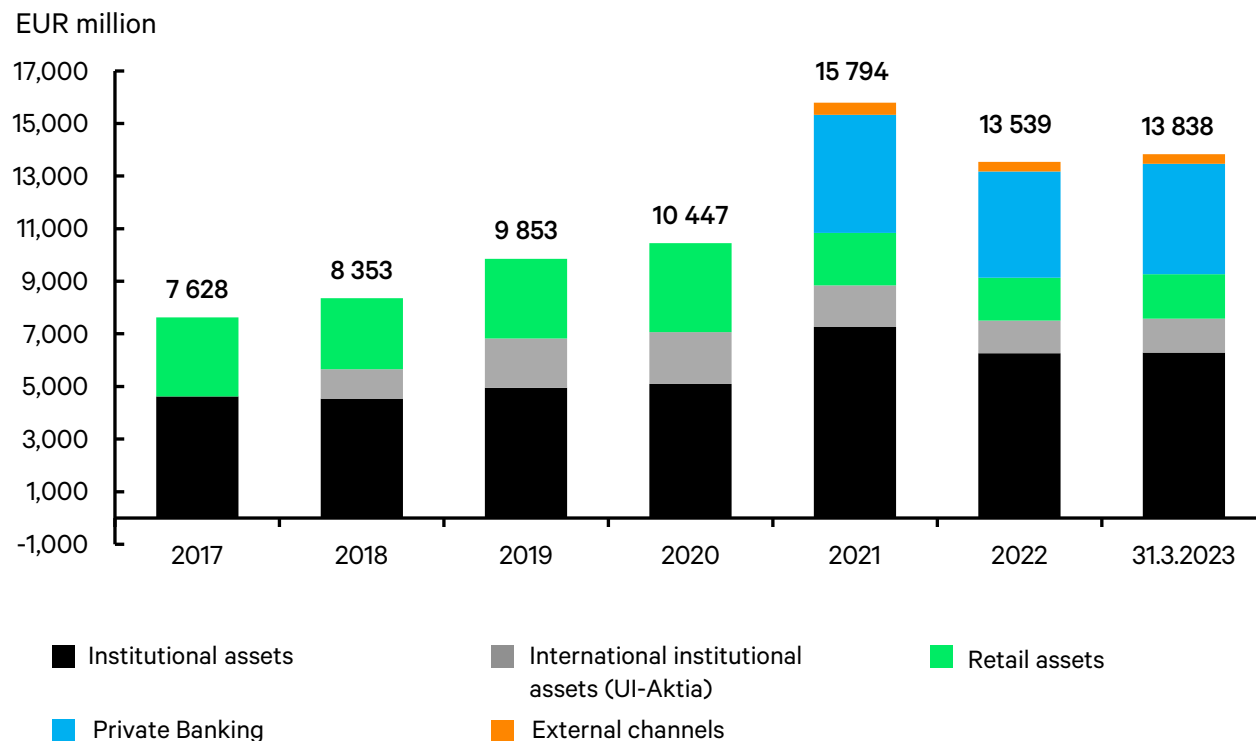
Development of credit portfolio Q-o-Q



Slight increase in AuM

- Market environment clearly improved.
- Rising interest rates put pressure on the market value of fixed income and housing funds.
- Net subscriptions continued to increase and amounted to EUR 131 million.
- SolarWind III fund launched in co-operation with Taaleri.
- Customer satisfaction in Private Banking increased significantly.

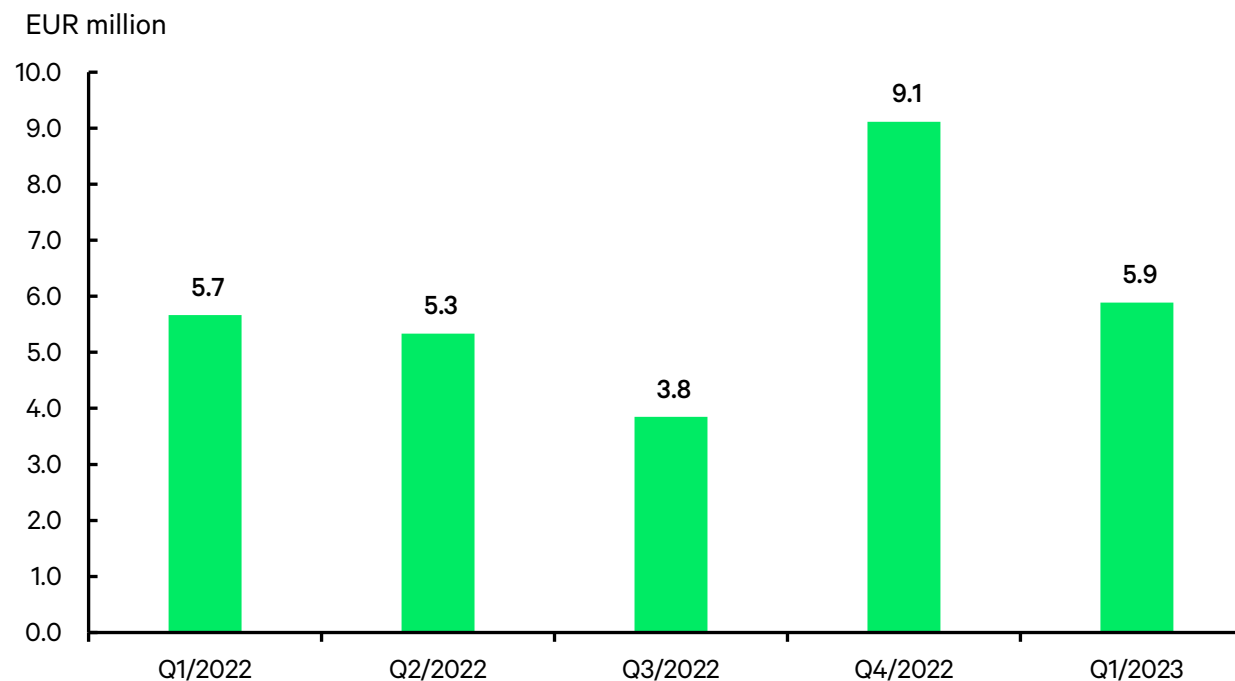
Assets under Management, excluding custody



Life Insurance business remained stable

- Sales of risk life insurances developed well.
- Sales of investment-linked insurances continued to develop positively.
- Net investment result amounted to EUR 2.0 million.
- Solvency decreased from the year-end, but improved somewhat from Q1/2022.

Development of the actuarially calculated result Q-o-Q



Sustainability at Aktia – Q1/2023

Aktia follows the sustainability programme updated last year, of which the high-level targets are to enable sustainable prosperity, provide meaningful work for skilled employees, ensure reliable and transparent operations and work towards carbon-neutrality.

Aktia wants to participate in financing the green transition. During the first quarter of 2023, the guidance regarding the framework for Aktia's green and sustainability-linked loans was finalised and approved. Aktia has already granted one sustainability-linked loan based on the new framework.

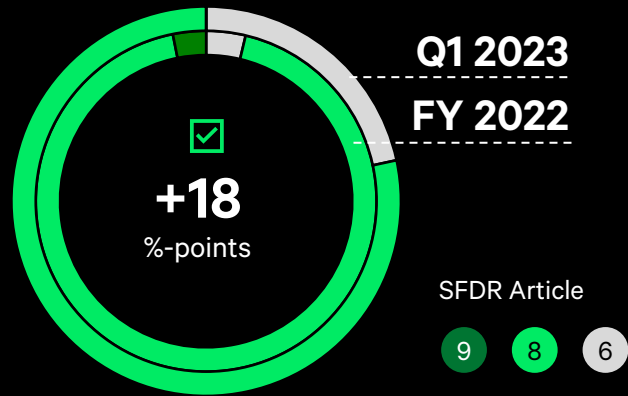
During the first quarter, Aktia launched the private equity fund SolarWind III. The fund also offers also private investors an opportunity to invest effectively in the development of renewable energy production. The fund invests in the international private equity fund Taaleri SolarWind III, a financial product under Article 9 of the EU Sustainable Finance Disclosure Regulation (SFDR).

Success of the leading wealth management bank is based on sustainability

☑ = target achieved

Share of SFDR Article 8 and 9 classified funds

Target: increase the share



Aktia's ESG ratings

Target: reach at least industry average

MSCI:	A	☑
Sustainalytics:	Low Risk	☑
ISS-ESG:	D+	☑

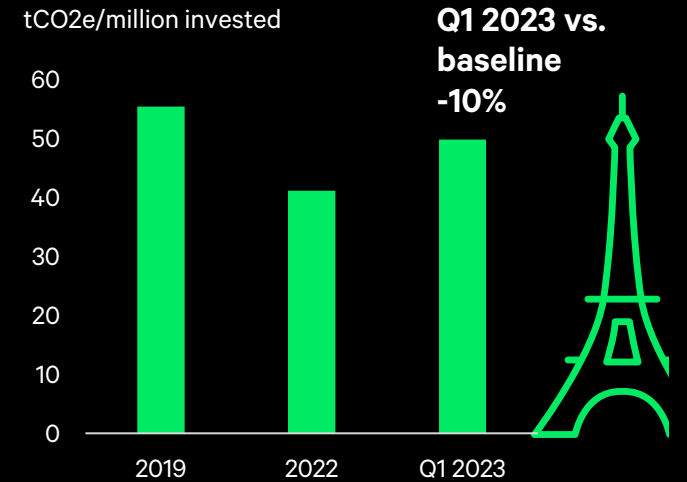
Aktia's net impact

Target: Positive net impact ratio according to Upright's model

Upright Project:	+31%	☑
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Relative carbon footprint of equity and credit portfolios

Target: -30% vs 2019



Financial overview

Outi Henriksson, CFO

Aktia

Changes in segment reporting and the implementation of IFRS 17

Segment reporting

- In order to increase transparency, Aktia's Life Insurance business has been separated from the Asset Management segment
 - As of 1 January 2023, Aktia's reporting segments are **Banking, Asset Management, Life Insurance and Group Functions**

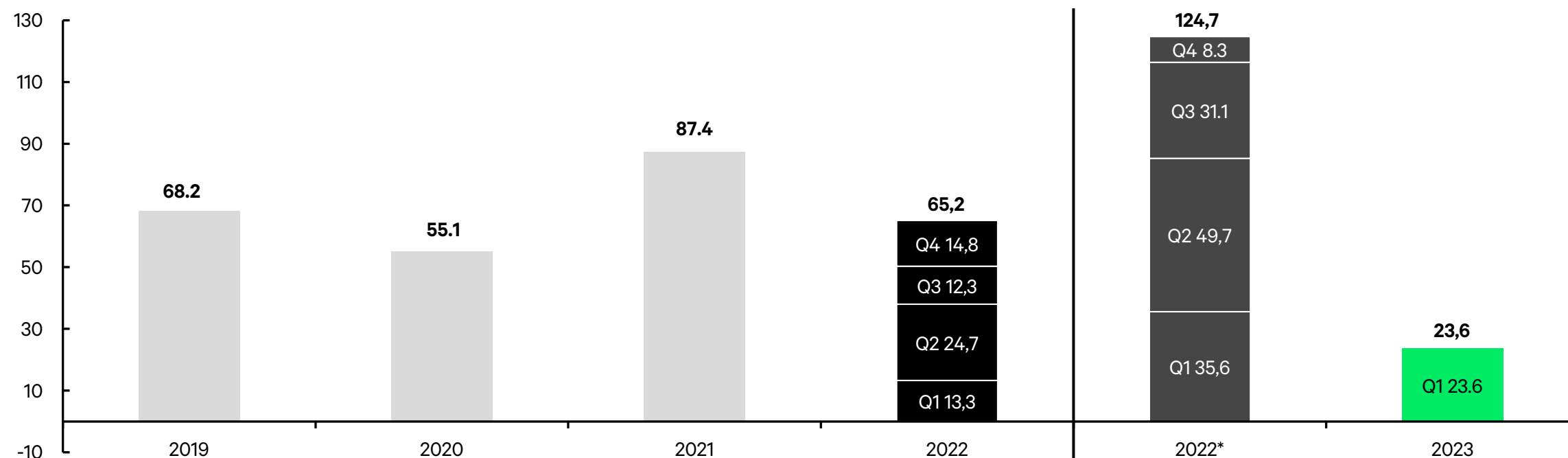
IFRS 17

- As of 1 January 2023, Aktia has adopted the IFRS 17 accounting standard
 - changed the valuation and presentation of insurance contracts
 - recalculated comparative figures for the **net income from life insurance**, and thus the comparable operating profit for 2022, are **exceptionally high** due to the increase in interest rates.

Implementation of IFRS 17 had a major impact on restated comparative figures

Comparable operating profit 2019–Q1 2023

EUR million



* Restated 2022 figures

Financial summary Q1

EUR million	1Q/2023	1Q/2022	Δ %	4Q/2022	Δ %
Total operating income	70.3	78.7	-11%	58.2	21%
Net interest income	31.8	25.1	27%	24.2	31%
Net commission income	30.3	31.3	-3%	29.1	4%
Net income from life insurance	7.2	21.4	-67%	3.3	116%
Other income	1.0	0.8	28%	1.5	-32%
Total operating expenses	-47.1	-43.3	9%	-44.1	7%
Impairments of credits and other commitments	-0.9	0.3	-	-7.1	-87%
Operating profit	22.2	35.8	-38%	6.9	221%
Comparable operating profit*	23.6	35.6	-34%	8.3	183%
Earnings Per Share (EPS), EUR	0.25	0.40	-38%	0.07	238%
Return on Equity (ROE), %	12.2	19.9	-38%	3.7	229%
Cost-to-income ratio (comparable)	0.65	0.55	18%	0.73	-11%
Common Equity Tier 1 capital ratio, %	11.1	10.6	4%	10.8	2%

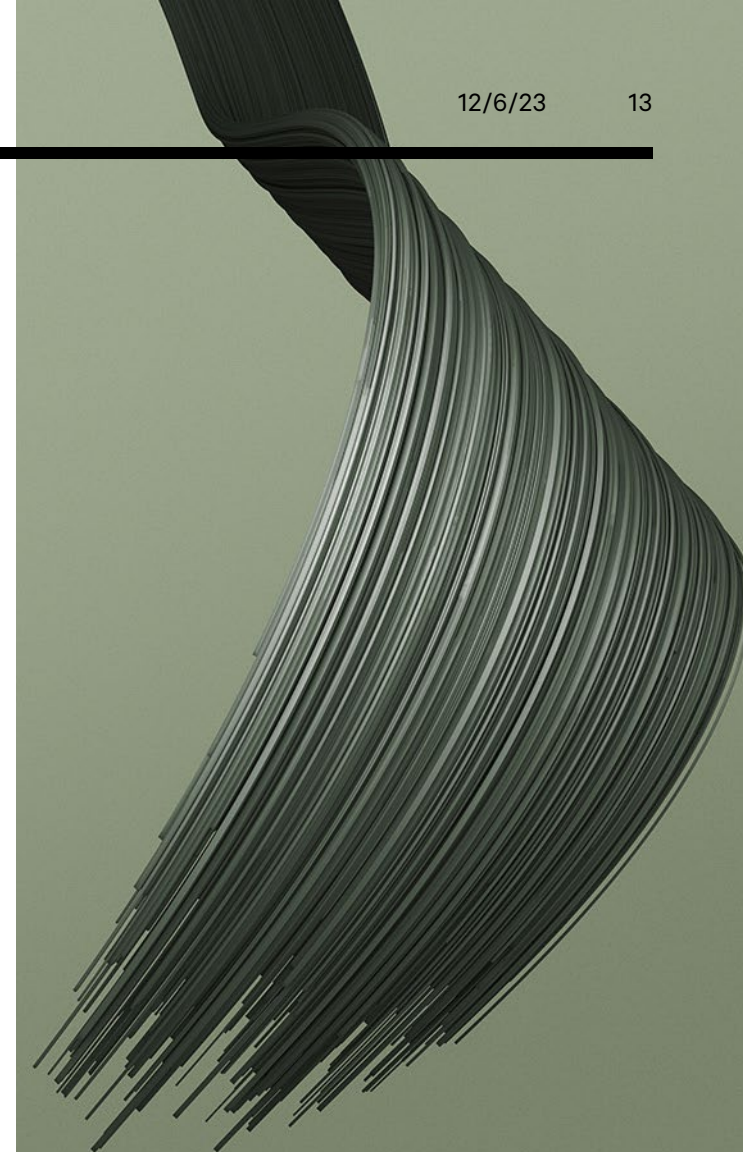
*) Excl. items affecting comparability

Outlook 2023

Aktia's comparable operating profit for 2023 is expected to be clearly higher than the EUR 65.2 million reported for 2022 (under the accounting standard previously applied for the life insurance business).

The outlook has been prepared based on the following expectations:

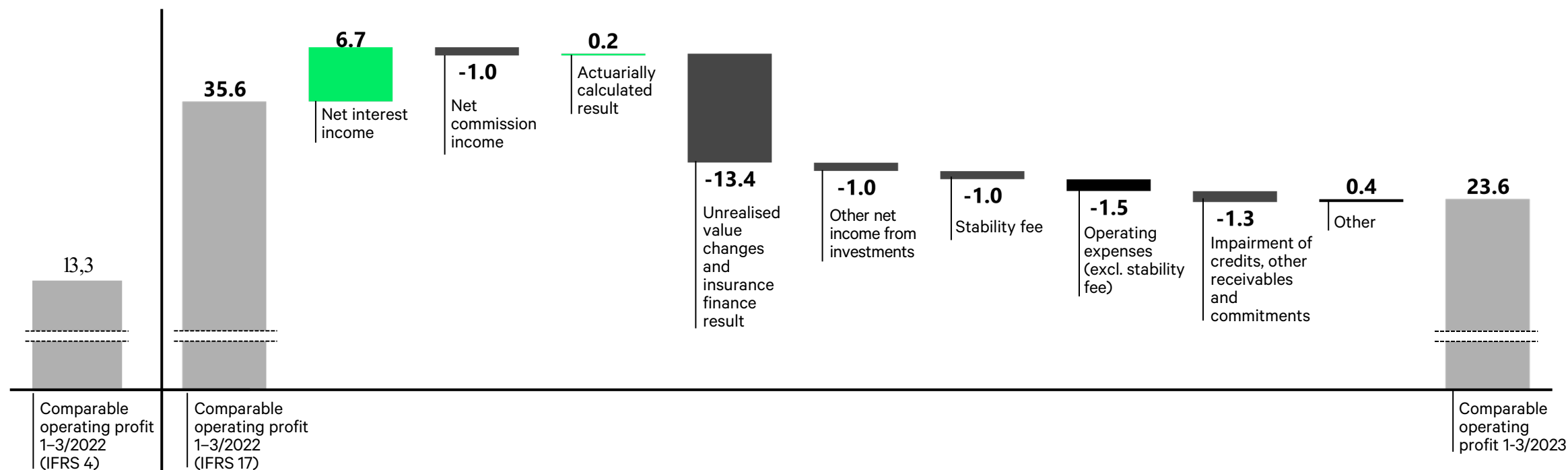
- Net interest income is expected to be significantly higher than in 2022.
- Net commission income is expected to increase slightly in 2023.
- The life insurance business is expected to develop stably. However, the result is affected by changes in market values. The recalculated result in 2022 according to the new accounting standard IFRS 17 is exceptionally high due to accounting technical changes.
- Operating expenses are expected to be at the same level as 2022.
- Credit loss provisions are expected to be at the same level as 2022.



Adoption of IFRS 17 decreased comparable operating profit

Comparable operating profit 1–3/2023 vs 1–3/2022

EUR million

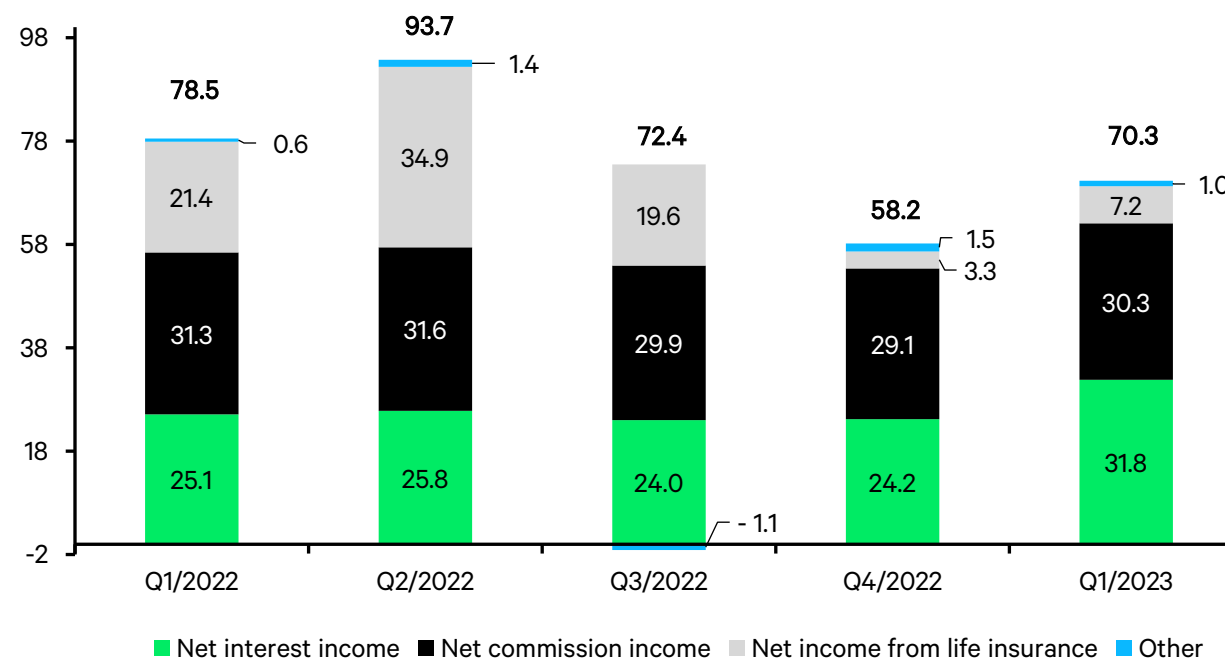


Strong growth in NII

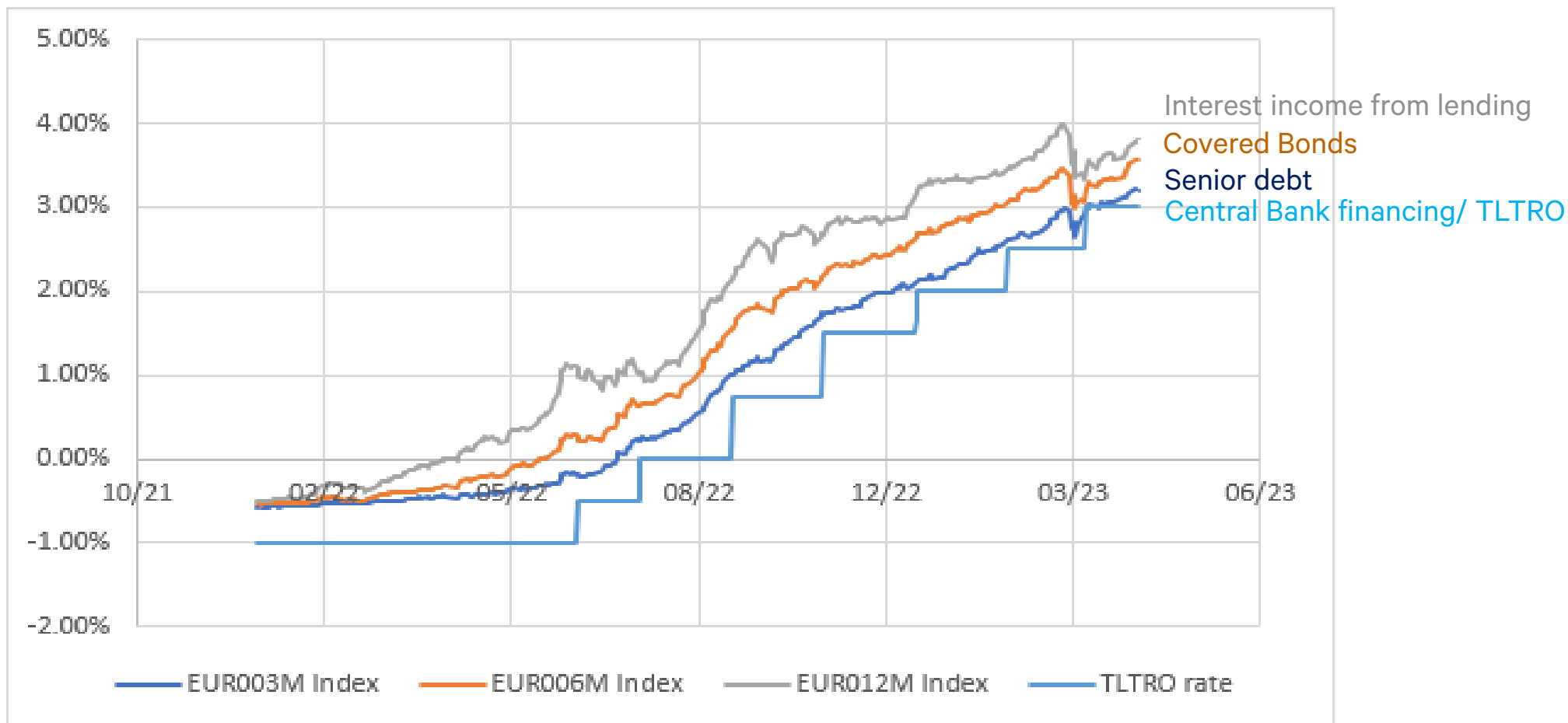
- Comparable operating income was EUR 70.3 (78.5) million.
- Net interest income developed very positively with rising interest rates.
- Net commission income decreased, mainly due to the decrease of commission income from funds, asset management and securities brokerage as a result of lower customer assets under management (AuM).
- Net income from life insurance was clearly below last year's level due to the implementation of IFRS 17.

Comparable operating income, Q-o-Q

EUR million



Sharp raise in interest rates driving NII

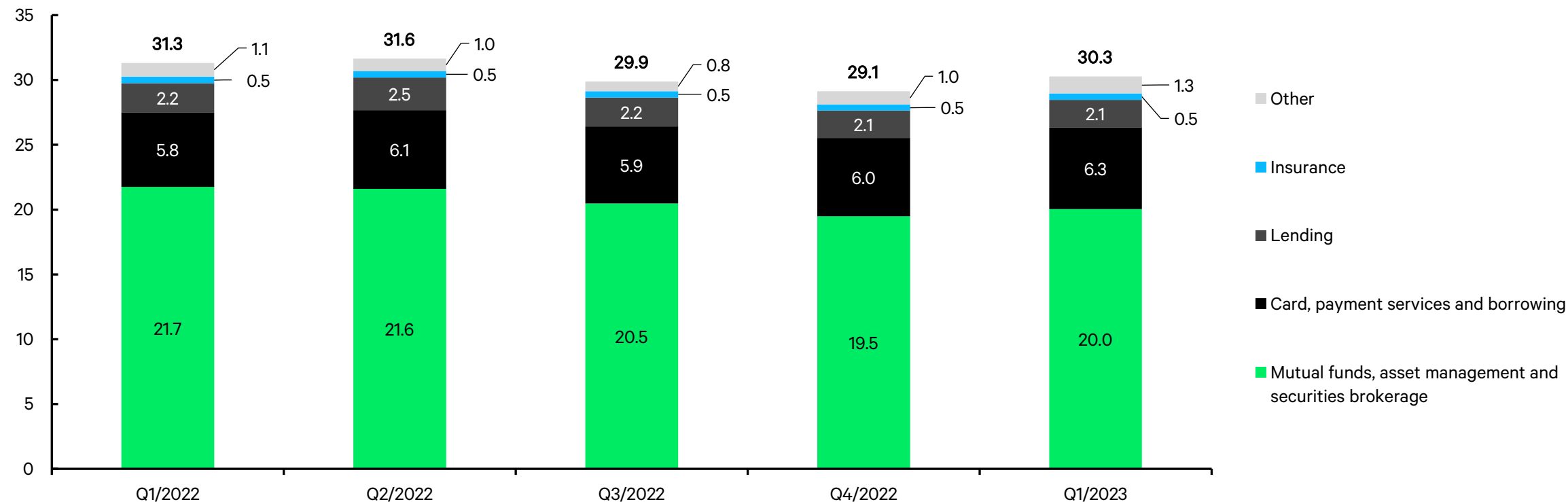


Composition of the Group net interest income



Net commission income mix

EUR million

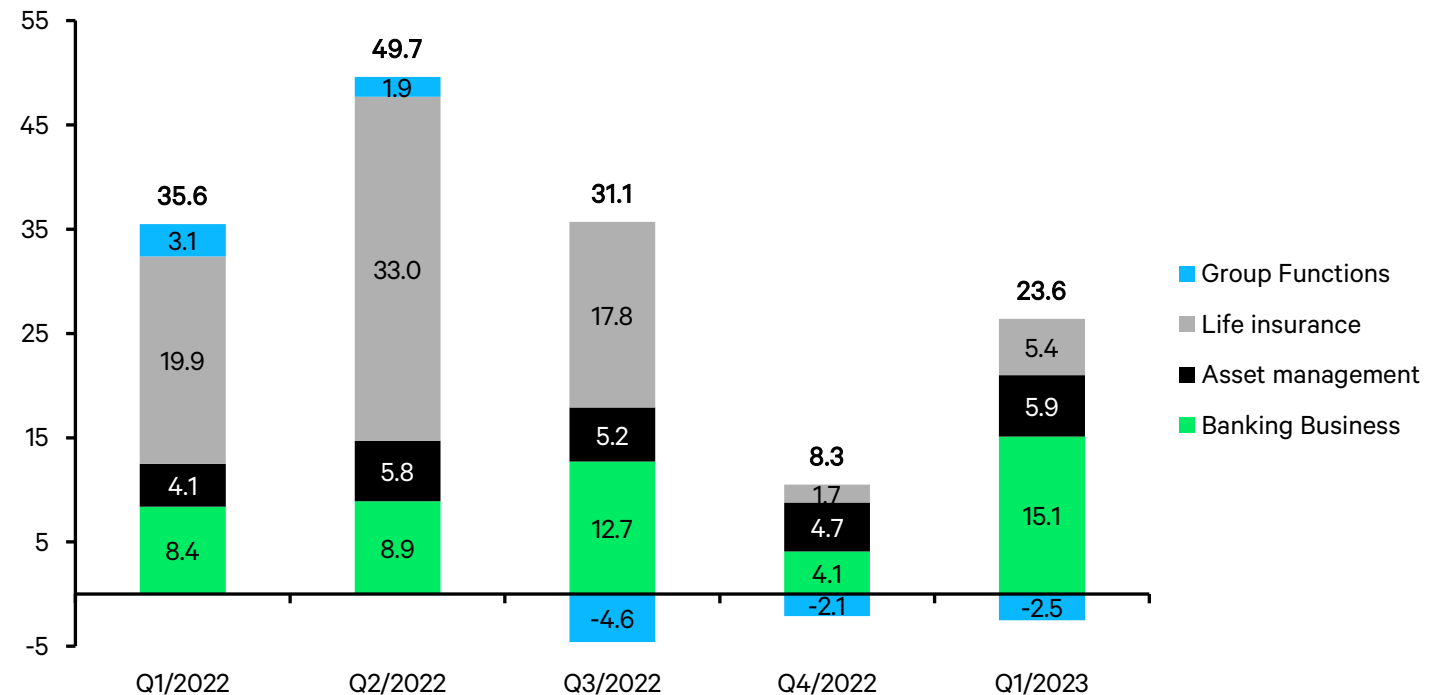


Comparable operating profit increased clearly in Banking Business and in Asset Management

- Comparable operating profit increased clearly in Banking Business and in Asset Management
- Comparable operating profit decreased significantly in Life Insurance due to the implementation of IFRS 17

Comparable operating profit Q-o-Q

EUR million

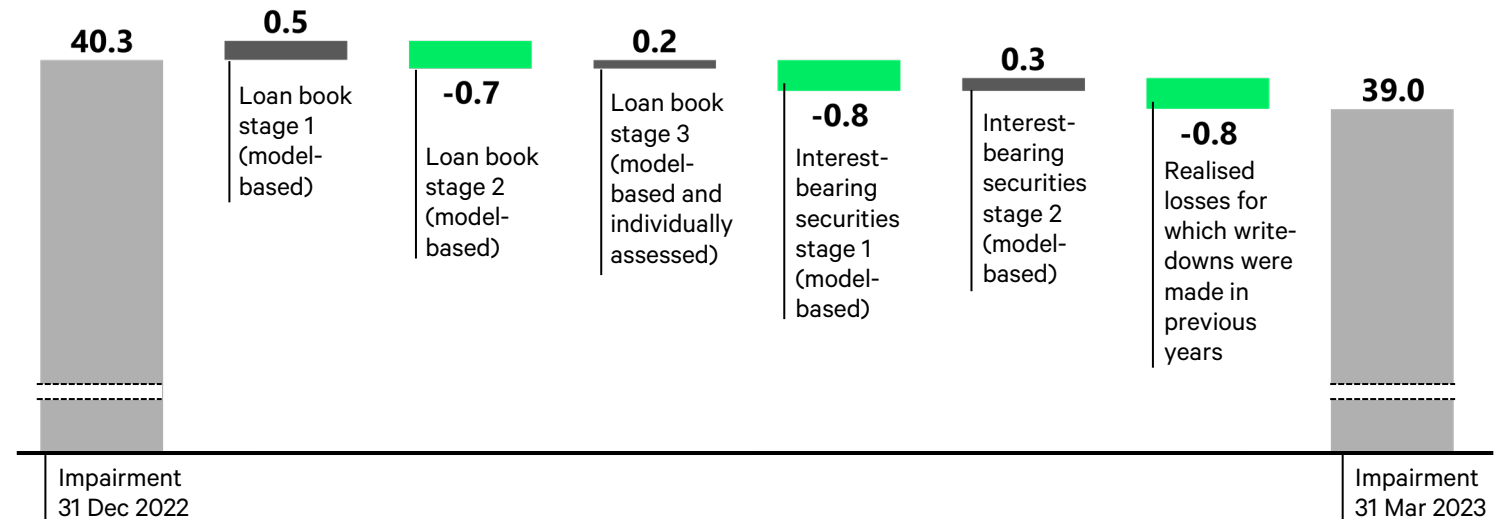


Quality of the credit portfolio remains solid

- Loan book constitutes for the major part of loans to households and private persons with residential or real estate securities.
- The loan-to-value (LTV) ratio is at a good level (43%) and a low risk level provides a solid quality of credits in Aktia's loan book.
- Reservations for expected credit losses decreased by EUR 1.3 million in the quarter.

Change in expected credit losses (ECL) 1–3/2023

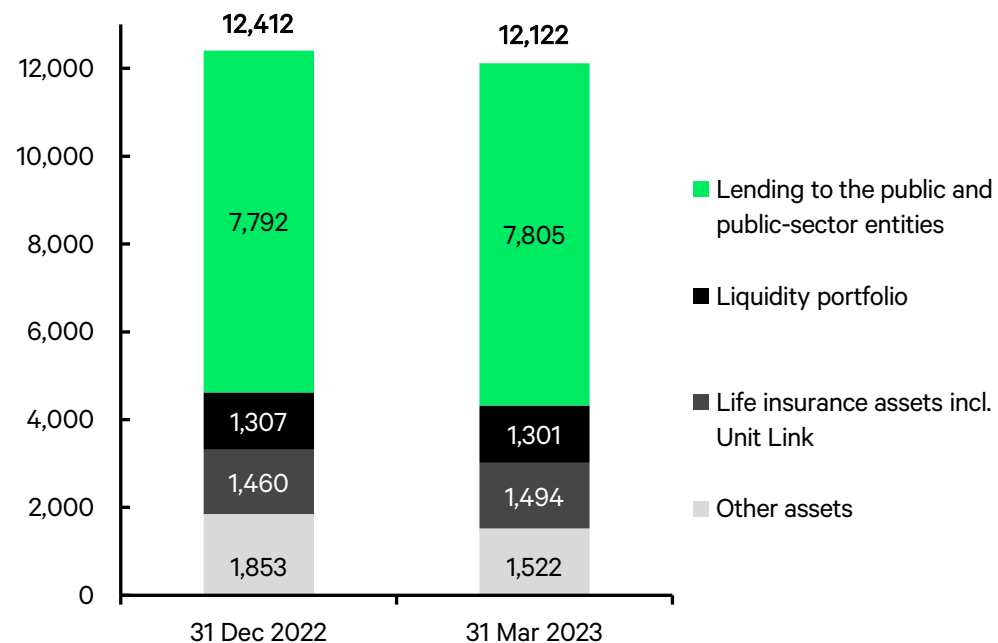
EUR million



Balance sheet total EUR 12,122 million

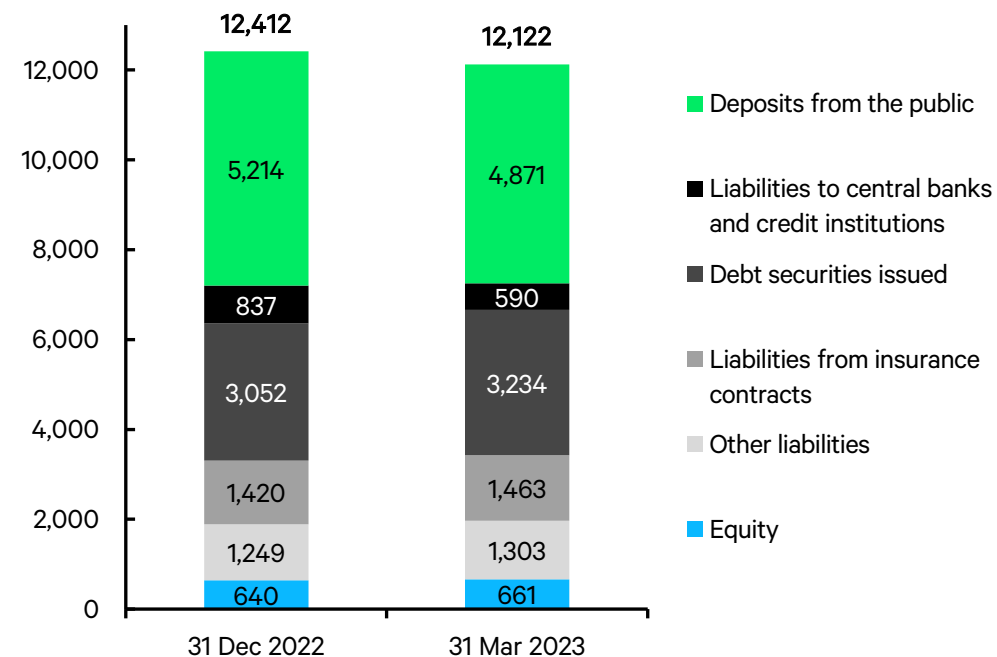
Total assets

EUR million



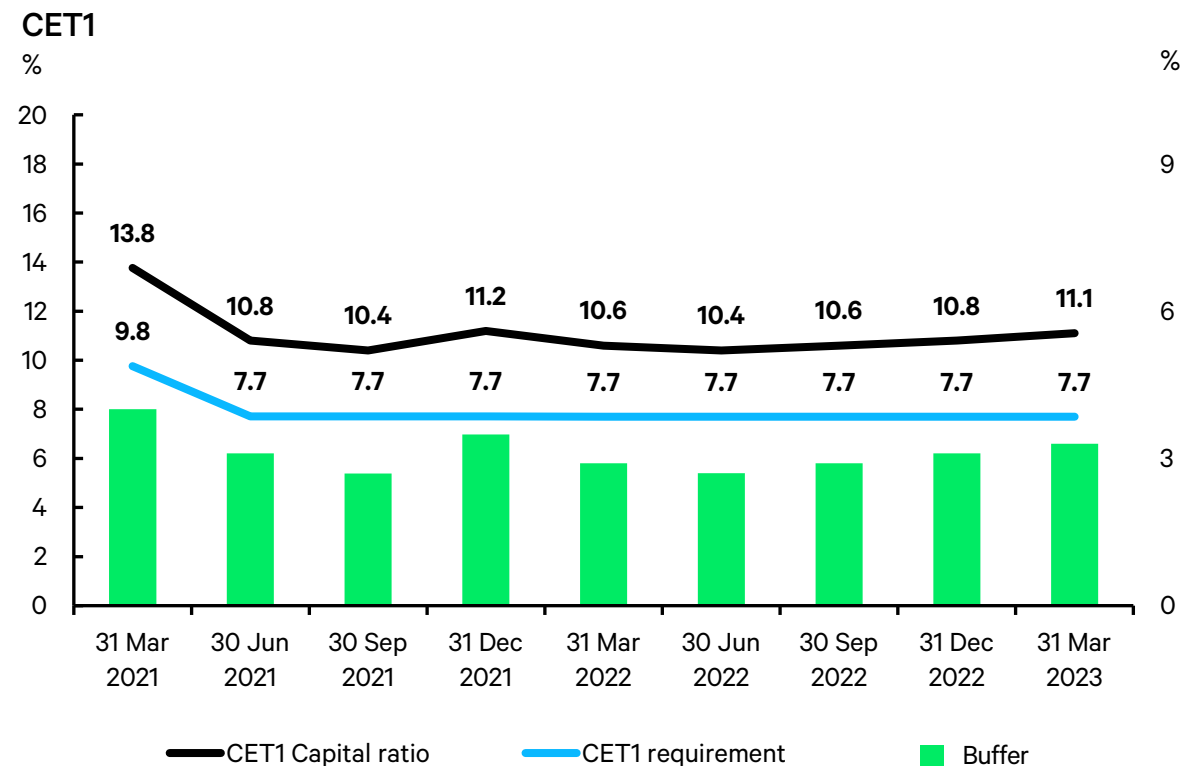
Total liabilities and equity

EUR million



CET1 ratio 3.3 percentage points above the requirement

- CET1 ratio 11.1% , +0.2 percentage points from Q4/2022.
- Risk-weighted assets increased only by EUR 2 million, mainly due to changes made by Statistics Finland to its Industry Classification criteria.
- The fund at fair value increased by EUR 2 million due to the shortened maturity in the hedged liquidity portfolio.
- Aktia Life Insurance paid a dividend of EUR 6.3 million to the parent company in March, which strengthened the Bank's CET1 capital.



Funding activities

- Market sentiment turned more negative towards the end of Q1 due the liquidity problems amongst the medium-size US banks.
- Concerns of potential asset and liability problems in banking community after very quickly increased interest rates weighed the otherwise decent market sentiment.
- Covered Bond market continued working with high activity, but with increased funding margins.
- In Q1, Aktia completed twelve senior preferred private placement transactions.
- Aktia will continue to issue senior debt to prefund some redeeming notes and to convert part of the short-term money market funding to longer term issuance.
- The refinancing of the EUR 500 million covered bond redeeming in May 2023 will happen during the second quarter of 2023.
- Very limited volume of new AT1 issuance is possible, depending on the market sentiment.
- In February, Aktia paid back part of the TLTRO III financing prior to the redemption of the tranche in June (EUR 250 million).
- Aktia's liquidity continued to be at very good level, the LCR ratio being 188% at the end of Q1 2023.

Financial targets 2025

<p>Comparable operating profit above EUR 120 million</p> <p>1-3/2023: EUR 23.6 million</p> <p>1-12/2022: EUR 124.7 million*</p>	<p>Comparable return on Equity (ROE) above 12%</p> <p>31 March 2023: 13.0%</p> <p>31 December 2022: 17.2%*</p>	<p>Comparable cost-to-income ratio under 0.60</p> <p>1-3/2023: 0.65</p> <p>1-12/2022: 0.56*</p>	<p>Common Equity Tier 1 capital ratio (CET1) above 1.5 percentage points over the regulatory requirement</p> <p>31 March 2023: 3.3 percentage points over the regulatory requirement</p> <p>7.7%</p>
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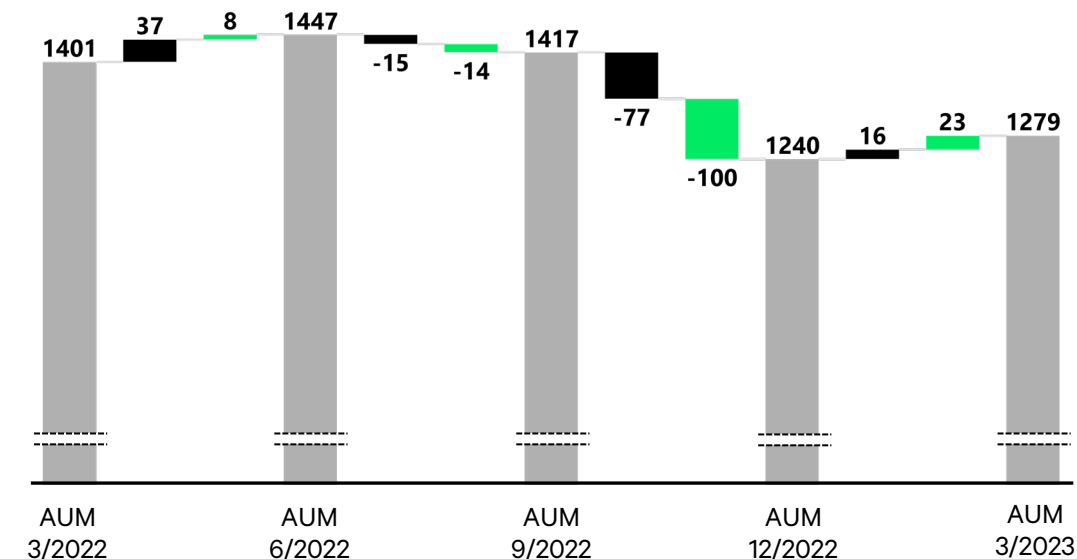
* Adjusted due to the adoption of IFRS 17 accounting standard as of 1 January 2023

Appendices

AuM: net subscriptions and market changes

Asset Management, Aktia UI Q-o-Q

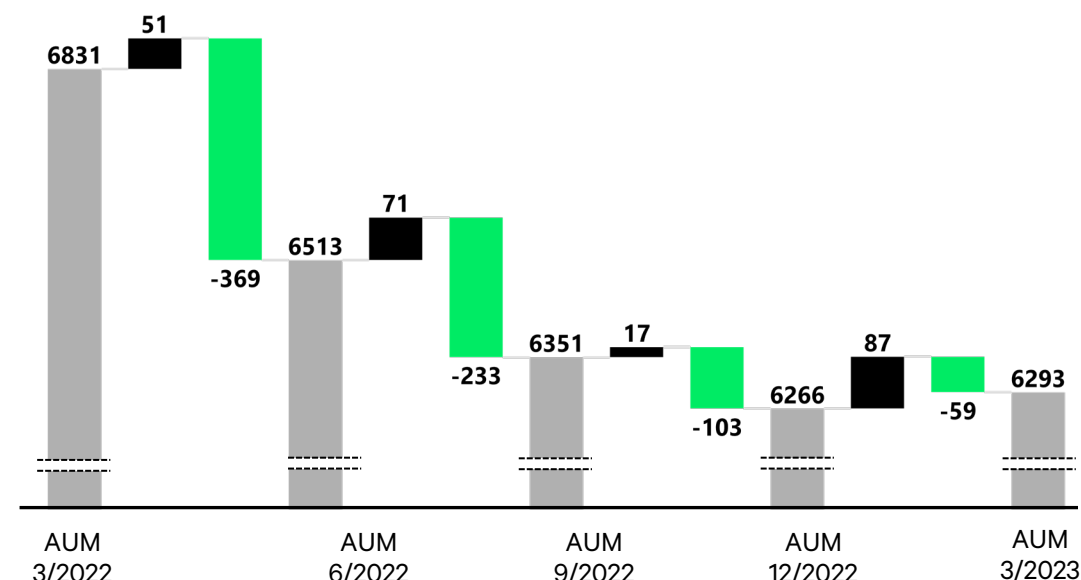
EUR million



■ Net subscriptions ■ Market changes

Asset Management, Domestic institutions Q-o-Q

EUR million

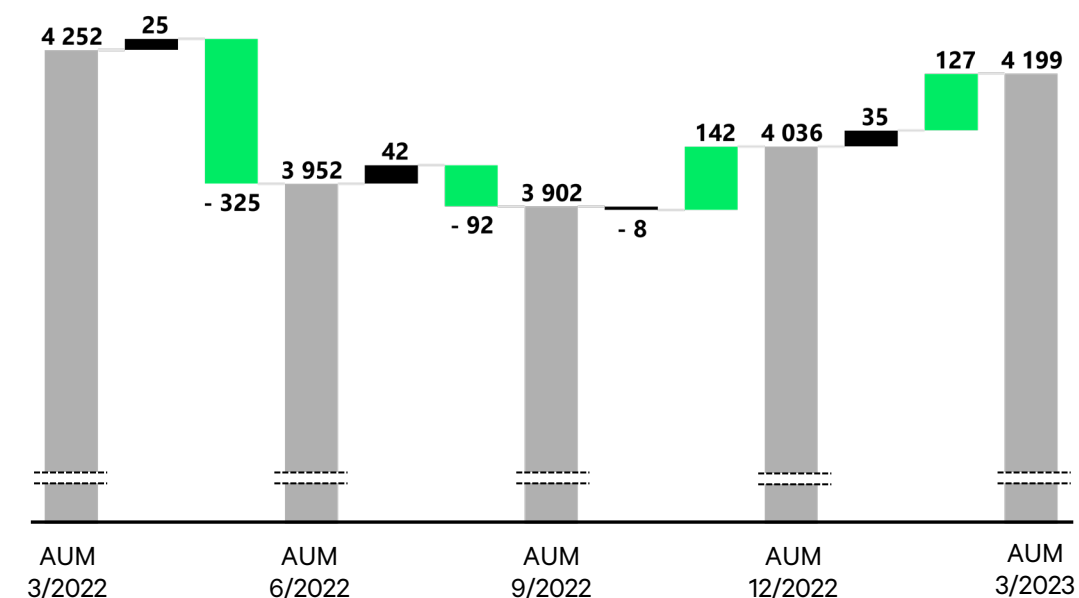


■ Net subscriptions ■ Market changes

AuM: net subscriptions and market changes

Asset Management, Private Banking Q-o-Q

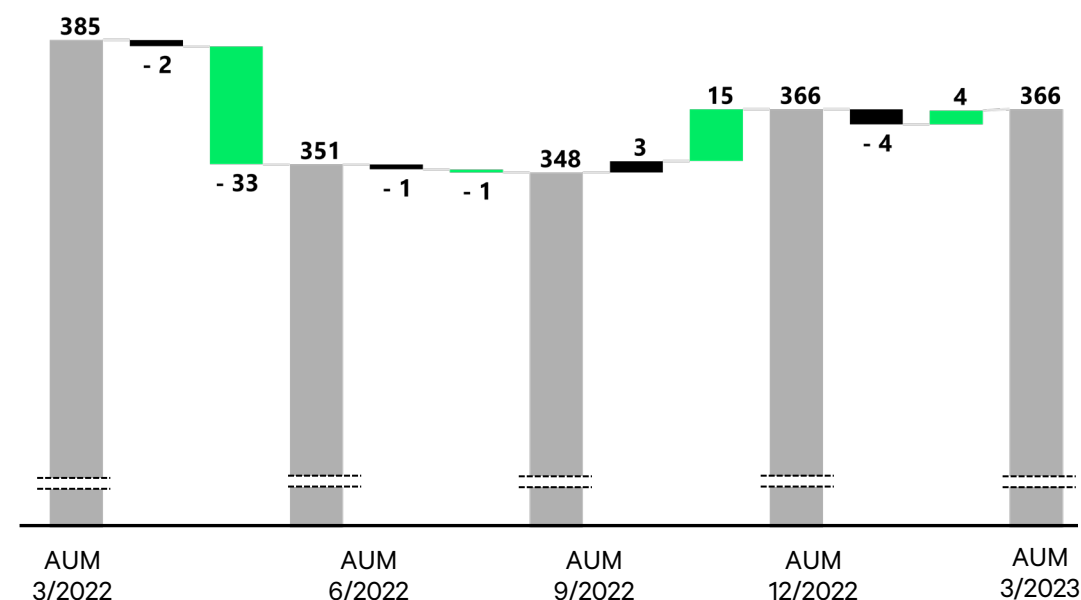
EUR million



■ Net subscriptions ■ Market changes

Asset Management, External channels Q-o-Q

EUR million

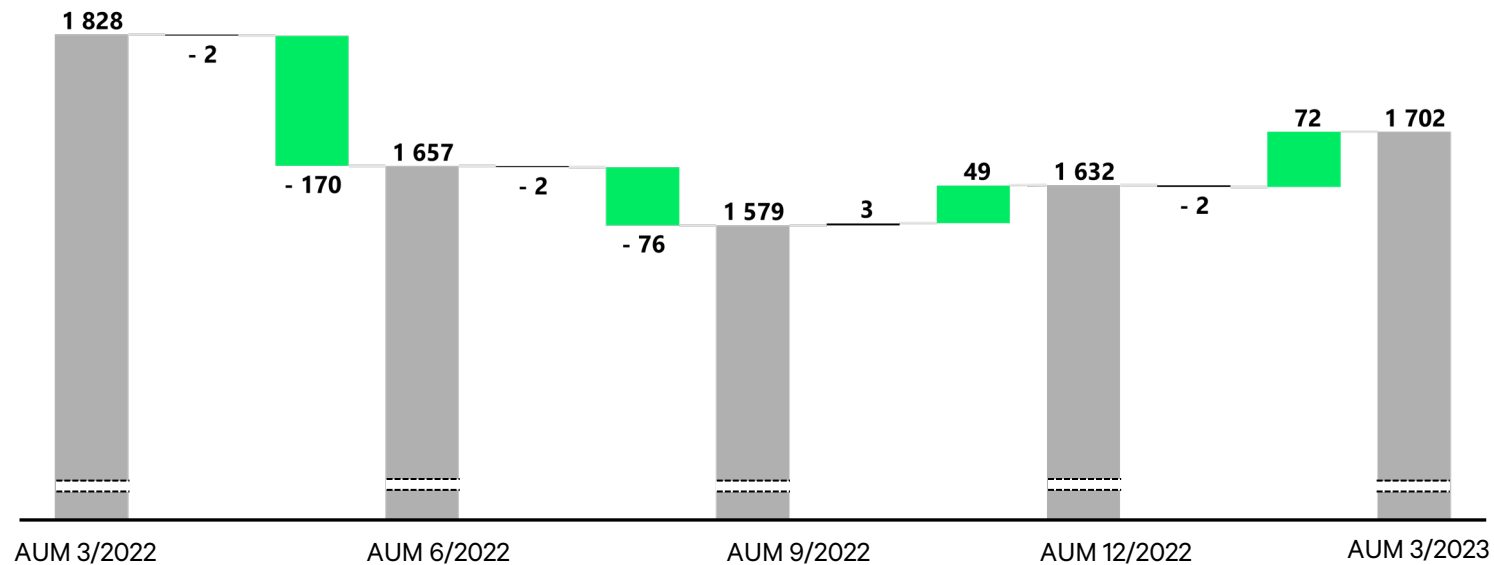


■ Net subscriptions ■ Market changes

AuM: net subscriptions and market changes

Banking Business, Retail Q-o-Q

EUR million



■ Net subscriptions ■ Market changes



Building wealth for our customers and society

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